



# HOUSE JOINT RESOLUTION No. 4

## DIGEST OF INTRODUCED RESOLUTION

**Citations Affected:** Articles 10 and 13 of the Indiana Constitution.

**Synopsis:** Repeal of property tax. Allows the general assembly to eliminate the property tax. Allows the general assembly to establish a formula to limit the debt of political subdivisions if property is not assessed for property tax purposes. This proposed amendment has not been previously agreed to by a general assembly.

**Effective:** This proposed amendment must be agreed to by two consecutive general assemblies and ratified by a majority of the state's voters voting on the question to be effective.

**Koch**

January 13, 2004, read first time and referred to Committee on Rules and Legislative Procedures.

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PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular General Assembly.

## HOUSE JOINT RESOLUTION No. 4

A JOINT RESOLUTION proposing an amendment to Articles 10 and 13 of the Indiana Constitution concerning taxation.

*Be it resolved by the General Assembly of the State of Indiana:*

- 1 SECTION 1. The following amendment to the Constitution of the
- 2 State of Indiana is proposed and agreed to by this, the One Hundred
- 3 Thirteenth General Assembly of the State of Indiana, and is referred to
- 4 the next General Assembly for reconsideration and agreement.
- 5 SECTION 2. (a) **This SECTION applies if, at the general election**
- 6 **held on November 2, 2004, the electors of Indiana do not ratify the**
- 7 **amendment to Article 10, Section 1 of the Constitution of the State**
- 8 **of Indiana agreed to by the General Assembly under P.L.189-2002**
- 9 **and P.L.278-2003.**
- 10 (b) ARTICLE 10, SECTION 1 OF THE CONSTITUTION OF THE
- 11 STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS:
- 12 Section 1. (a) The General Assembly **may provide, by law, for the**
- 13 **levy and collection of a tax on property.**



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(b) If a property tax is authorized, the General Assembly shall provide, by law, for a uniform and equal rate of property assessment and taxation, and shall prescribe regulations to secure a just valuation for taxation of all property, both real and personal. **However**, the General Assembly may exempt from property taxation any property in any of the following classes:

- (1) Property being used for municipal, educational, literary, scientific, religious, or charitable purposes.
- (2) Tangible personal property other than property being held for sale in the ordinary course of a trade or business, property being held, used, or consumed in connection with the production of income, or property being held as an investment.
- (3) Intangible personal property.

~~(b)~~ In addition, the General Assembly may exempt any motor vehicles, mobile homes, airplanes, boats, trailers, or similar property, provided that an excise tax in lieu of the property tax is substituted therefor.

SECTION 3. (a) This SECTION applies if, at the general election held on November 2, 2004, the electors of Indiana ratify the amendment to Article 10, Section 1 of the Constitution of the State of Indiana agreed to by the General Assembly under P.L.189-2002 and P.L.278-2003.

(b) ARTICLE 10, SECTION 1 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS:  
Section 1. (a) The General Assembly may provide, by law, for the levy and collection of a tax on property.

(b) If a property tax is authorized, the General Assembly shall provide, by law, for a uniform and equal rate of property assessment and taxation and shall prescribe regulations to secure a just valuation for taxation of all property, both real and personal. **However**, the General Assembly may exempt from property taxation any property in any of the following classes:

- (1) Property being used for municipal, educational, literary, scientific, religious, or charitable purposes.
- (2) Tangible personal property other than property being held as an investment.
- (3) Intangible personal property.
- (4) Tangible real property, including curtilage, used as a principal place of residence by an:
  - (A) owner of the property;
  - (B) individual who is buying the tangible real property under a contract; or
  - (C) individual who has a beneficial interest in the owner of the

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1           tangible real property.

2       **(b) In addition,** the General Assembly may exempt any motor vehicles,  
3       mobile homes, airplanes, boats, trailers, or similar property, provided  
4       that an excise tax in lieu of the property tax is substituted therefor.

5       SECTION 4. ARTICLE 13, SECTION 1 OF THE CONSTITUTION  
6       OF THE STATE OF INDIANA IS AMENDED TO READ AS  
7       FOLLOWS: Section 1. **(a)** No political or municipal corporation in this  
8       State shall ever become indebted, in any manner or for any purpose to  
9       an amount, in the aggregate, exceeding two per centum on the value of  
10      the taxable property within such corporation, to be ascertained by the  
11      last assessment for State and county taxes, previous to the incurring of  
12      such indebtedness; and all bonds or obligations, in excess of such  
13      amount, given by such corporations, shall be void. ~~Provided, That~~  
14      **However,** in time of war, foreign invasion, or other great public  
15      calamity, on petition of a majority of the property owners in number  
16      and value, within the limits of such corporation, the public authorities,  
17      in their discretion, may incur obligations necessary for the public  
18      protection and defense to such amount as may be requested in such  
19      petition.

20      **(b) If the General Assembly does not authorize the imposition**  
21      **of a property tax, the General Assembly shall, by law, establish a**  
22      **limitation on the debt of a political or municipal corporation that**  
23      **is equivalent to the limitation imposed under subsection (a).**

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